



Agenda Item 9

August 15, 2012

ITEM NAME: 2012-17 CalPERS Strategic Plan Final Approval

PROGRAM: Enterprise

ITEM TYPE: Action

RECOMMENDATION

Approve the 2012-17 CalPERS Strategic Plan

Executive Summary

In January 2012, the Board and Executive Staff kicked off an aggressive timeline to create a new Strategic Plan. The draft 2012-17 Strategic Plan (Attachment 1) represents the culmination of a comprehensive process including Board and Executive workshops, environmental scan analyses, external stakeholder engagement, and outreach to all CalPERS staff. The Stakeholder Engagement Report is included (Attachment 2). The Board and Executive Staff participated in a facilitated discussion at the July 2012 Board Offsite and proposed final changes to the Strategic Plan. In addition, the Project Team prepared an Implementation Plan (Attachment 3) outlining plan oversight and reporting, review process, and communication plan.

ANALYSIS

The Plan identifies three new goal areas for the Enterprise that focus on the following areas; improve long-term pension and health benefit sustainability; cultivate a high-performing, risk-intelligent and innovative organization; and engage in state and national policy development to enhance the long-term sustainability and effectiveness of our programs. These goal areas and the supporting objectives and initiatives will guide the formation and implementation of our Business Plans.

Progress on the Plan will be monitored through quarterly reports on Business Plan key performance indicators. In addition, the Board and Executive Staff will review Strategic Performance measures annually, and discuss any needed changes to the strategic direction. These reviews will ensure that the Strategic Plan is a living document that remains current and relevant.

After the Strategic Plan is approved, CalPERS staff will continue to reach out to internal and external stakeholders, communicating the strategic direction and identifying opportunities to partner on items of shared interest. In September, staff will deliver Strategic Performance Measures that will be used to gauge success in

achieving the goals and objectives. In October, staff will recommend any changes necessary to align the 2012-14 Business Plan and the new 2012-17 Strategic Plan.

These activities, as well as an overview of the communication plan to reach staff and stakeholders, are documented in the attached Implementation Plan.

BENEFITS/RISKS

Approval of the 2012-17 Strategic Plan will set a strategic direction for the enterprise for the next five years, assisting in the allocation of resources and communication of CalPERS goals and objectives. The Plan is specifically designed to address the most significant risks and opportunities facing CalPERS, and will be regularly reviewed to respond to a changing environment.

ATTACHMENTS

Attachment 1 – 2012-17 CalPERS Strategic Plan
Attachment 2 – Stakeholder Engagement Report
Attachment 3 – Implementation Plan

SEAN TRACY, Chief
Enterprise Strategy and Performance Division

DOUG HOFFNER
Deputy Executive Officer, Operations and Technology

ANNE STAUSBOLL
Chief Executive Officer